

Lee DeKalb Property Tax Estimation

Beginning with assessment year 2007 (taxes paid in 2008), the fair cash value for a wind energy device in Illinois is based on its nameplate capacity per megawatt. The fair cash value of a wind energy device is \$360,000 per megawatt of nameplate capacity. Beginning January 1, 2008, the chief county assessment officer (CCAO) will add an inflationary increase, called a "trending factor" to the 2007 value; the result is called the "trended real property cost basis." An amount for depreciation is then subtracted from the trended real property cost basis to determine the taxable value for the current assessment year.

IL does not impose a personal property tax. As a result, any value attributable to the portion of the wind energy device that is be considered "personal property" was excluded from the prescribed base fair cash value of \$360,000. The fair cash value does include the land on which the turbine is located and the portion of the turbine that is considered "real property". Because Illinois assesses property for tax purposes at one-third of its fair cash value, the assessed value for each wind energy device is \$119,988 per megawatt (\$360,000 X .3333) or annually at (((\$360,000 X trending factor) - Depreciation) *.3333

Depreciation is calculated by taking the actual age of the wind energy device divided by 25 then multiplied by the trended real property cost basis. The amount allowed for physical depreciation cannot reduce the wind energy device to less than 30 percent of the trended real property cost basis.

a	Estimated blended rate	7.60%	
b	Assesment %	33.33%	
c	2007 Fair Value per MW	\$360,000	
d	Project Capacity (MW)	226.5	
e	2007 Fair Value of Project	\$81,540,000	(c x d)
f	2007 Tax Basis	\$27,180,000	(e x b)

Personal Property Tax

		0	1	2	3	4	5	6	7	8	9
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
g	"Trending Factor" CPI growth at 2%	106.1%	108.2%	110.4%	112.6%	114.9%	117.2%	119.5%	121.9%	124.3%	126.8%
h	Tax Basis (f x g)	28,843,633	29,420,506	30,008,916	30,609,095	31,221,276	31,845,702	32,482,616	33,132,268	33,794,914	34,470,812
i	Depreciation Factor (1-year/25)	100.00%	96.00%	92.00%	88.00%	84.00%	80.00%	76.00%	72.00%	68.00%	64.00%
j	Annual Property Tax Basis (h x i)	28,843,633	28,243,686	27,608,203	26,936,003	26,225,872	25,476,562	24,686,788	23,855,233	22,980,541	22,061,320
k	% of Year Operations	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
l	Estimated blended rate (a) grown	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%	7.60%
m	Total Personal Property Tax(j x k x l)	2,192,116	2,146,520	2,098,223	2,047,136	1,993,166	1,936,219	1,876,196	1,812,998	1,746,521	1,676,660

Total Estimated Property Tax (30yrs) \$ 42,578,118